CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-19 Demonstrations	Centers for Medicare & Medicaid Services (CMS)
Transmittal 11383	Date: April 29, 2022
	Change Request 12688

SUBJECT: Calendar Year 2023 Modifications/Improvements to Value-Based Insurance Design (VBID) Model – Implementation

I. SUMMARY OF CHANGES: This Change Request (CR) is making modifications/improvements for Calendar Year (CY) 2023 to CRs 11754 and 12349, which were implementation CRs for the Centers for Medicare & Medicaid Services (CMS) Innovation Center to test incorporating the Medicare hospice benefit into Medicare Advantage (MA) through the Value-Based Insurance Design (VBID) Model ("hospice benefit component"). Unless otherwise stated, all other business requirements in CRs 11754 and 12349 remain the same. The hospice benefit component of the Model will be tested through 2024.

EFFECTIVE DATE: January 1, 2023

*Unless otherwise specified, the effective date is the date of service. IMPLEMENTATION DATE: October 3, 2022 - Analysis, Design and Coding; January 3, 2023 - Testing and Implementation for all contractors

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated) R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Demonstrations

Attachment - Demonstrations

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SUBJECT: Calendar Year 2023 Modifications/Improvements to Value-Based Insurance Design (VBID) Model – Implementation

EFFECTIVE DATE: January 1, 2023

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I. GENERAL INFORMATION

A. Background: This Change Request (CR) is making modifications/improvements to CRs 11754 and 12349 for Calendar Year (CY) 2023. Both these CRs are implementation CRs for the Centers for Medicare & Medicaid Services (CMS) Innovation Center to test incorporating the Medicare hospice benefit into Medicare Advantage (MA) through the Value-Based Insurance Design (VBID) Model ("hospice benefit component"). Unless otherwise stated, all other business requirements in CRs 11754 and 12349 remain the same. The hospice benefit component of the Model will be tested through 2024.

Through the hospice benefit component, CMS is testing the impact on payment and service delivery of incorporating the Medicare Part A hospice benefit with the goal of creating a seamless care continuum in the MA program for Part A and Part B services. For Medicare Advantage Organizations (MAOs) that volunteer to be part of the Model, CMS will evaluate the impact on cost and quality of care for MA enrollees, including how the Model improves quality and timely access to the hospice benefit, and the enabling of innovation through fostering partnerships between MAOs and hospice providers.

In participating in this component of the Model, MAOs will incorporate the current Medicare hospice benefit into MAO covered benefits in combination with offering palliative care services outside the hospice benefit for enrollees with serious illness and providing individualized transitional concurrent care services.

B. Policy: Currently, when an enrollee in an MA plan elects hospice, Fee-for-Service (FFS) Medicare becomes financially responsible for most services, while the MAO retains responsibility for certain services (e.g., supplemental benefits). Under the Hospice Benefit Component of the VBID Model, participating MAOs retain responsibility for all Original Medicare services, including hospice care. The Hospice Benefit Component of the Model implements a set of changes recommended by the Medicare Payment Advisory Commission (MedPAC), the Health and Human Services (HHS) Office of Inspector General (OIG), and other stakeholders.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement Responsibility				bilit	y																			
			A/B		D		Sha			Other															
		N	MAG	2	M		Sys																		
																				E		aint			
		A	В	H H	М	F I	M C	v M	C W																
				H	Α	S	S	S	F																
					С	S																			
12688.1	Annually until termination of the VBID model, the Medicare Beneficiary Database (MBD) shall send a full replacement "VBID" file to the Common Working File (CWF).								X	MBD															
	The file shall consist of the format below:																								
	Field Name Position																								
	Contract number 1-5																								
	Plan Benefit Package (PBP) Number 6-8																								
	VBID Start Date 9-16 (within calendar year)																								
	VBID End Date 17-24 (within calendar year)																								
	Note: Business Requirements (BR) 12688.1, 12688.1.1 and 12688.1.2 shall make changes to BR 12349.2 in CR12349.																								
12688.1.1	CWF shall read the MA plan's contract and package ID together to apply the correct processing of the VBID edit.								X																
12688.1.2	MBD shall send test file/s to CWF in early-to-mid September during alpha testing.									MBD															
12688.2	CWF shall read the "VBID" file for the start and end dates of VBID-Hospice participation and set the existing VBID model MA plan reject 523A. CWF shall set the existing 523A reject:								X																
	 if the incoming Hospice claim's (81x and 82x, excluding type of bill 8xA, 8xB, 8xC, 8xD, and 8xE) has a hospice election start date on or after January 1, 2021 through December 31, 2023 and during MA Plan Period and the VBID-Hospice start and end dates of January 1, 2021 to December 31, 2023 set for any covered Institutional Claim (Prospective Payment System (PPS) Hospital) when the Admit Date is during hospice 																								

Number	Requirement	Re	espo	nsi	bilit	y				
			A/B MA(D M E		Sys	red- tem aine		Other
		A	В	H H H	M A C	F I S S	M C S	V M S		
	 election start date on or after January 1, 2021 through December 31, 2023 and for non- PPS Hospital (Skilled Nursing Facility/Outpatient/Home Health, excluding type of bill 32A Notice of Admission (NOA)) when dates of service are during hospice election period and MA plan period and VBID-Hospice start and end dates of January 1, 2021 to December 31, 2023 set for any covered Part B or Durable Medical Equipment (DME) claim (except read only From Date for Glucose Test Strips) when dates of service are during hospice election start date on or after January 1, 2021 through December 31, 2023 and MA plan period and VBID- Hospice start and end dates of January 1, 2021 to December 31, 2023 CWF shall continue to apply the existing edit '523A' for the changes above. Note: BRs 12688.2 and 12688.2.1 shall make changes to BR 11754.3 in CR11754. 									
12688.2.1	CWF shall apply BR 12688.2 to the Beneficiary Data Streamlining (BDS).								X	
12688.2.2	CWF shall apply BRs 12688.2, 12688.2.1, and 12688.2.3 only for <i>hospice election start date on or</i> <i>after January 1, 2021 through December 31, 2023.</i>								Х	
12688.2.3	CWF shall apply BRs 12688.2, 12688.2.1 and 12688.2.2 only if the hospice election period is established during the time an MA plan is in the VBID model until that hospice election period is revoked, if the MA plan participates in the VBID model in 2021, does not participate in 2022, and does participate again in 2023.								X	
12688.3	CWF shall read the "VBID" file for the start and end dates of VBID-Hospice participation and set the existing VBID model MA plan reject 523A. CWF								Х	

Number	Requirement Responsibility									
		-	A/B MA(5	D M E		Sys	red- tem aine		Other
		A	В	H H H	M A C	F	M C S	V M S	C W F	
	 shall set the existing 523A reject: 1. if the incoming Hospice claim's (81x and 82x, excluding type of bill 8xA, 8xB, 8xC, 8xD, and 8xE) has a hospice election start date on or after January 1, 2022 through December 31, 2023 and during MA Plan Period and the VBID-Hospice start and end dates of January 1, 2022 to December 31, 2023 2. set for any covered Institutional Claim (Prospective Payment System (PPS) Hospital) when the Admit Date is during hospice election start date on or after January 1, 2022 through December 31, 2023 and for non- PPS Hospital (Skilled Nursing Facility/Outpatient/Home Health, excluding type of bill 32A Notice of Admission (NOA)) when dates of service are during hospice election period and MA plan period and VBID-Hospice start and end dates of January 1, 2022 to December 31, 2023 3. set for any covered Part B or Durable Medical Equipment (DME) claim (except read only From Date for Glucose Test Strips) when dates of service are during hospice election start date on or after January 1, 2022 through December 31, 2023 3. set for any covered Part B or Durable Medical Equipment (DME) claim (except read only From Date for Glucose Test Strips) when dates of service are during hospice election start date on or after January 1, 2022 through December 31, 2023 and MA plan period and VBID-Hospice start and end dates of January 1, 2022 to December 31, 2023 CWF shall continue to apply the existing edit '523A' for the changes above. 					5				
12688.3.1	make changes to BR 11754.3 in CR11754. CWF shall apply BR 12688.3 to BDS.								X	
12688.3.2	CWF shall apply the edits in BRs 12688.3 and 12688.3.1 shall only apply for <i>hospice election start</i>								X	

Number	Requirement	Re	espo	nsi	bilit	y				
			A/B MA(D M E		Sys	red- tem aine		Other
		A	В	H H H	M A C	F I S S	M C S	V M S		
	date on or after January 1, 2022 through December 31, 2023.									
	 CWF shall read the "VBID" file for the start and end dates of VBID-Hospice participation and set the existing VBID model MA plan reject 523A. CWF shall set the existing 523A reject: 1. if the incoming Hospice claims (81x and 82x, excluding type of bill 8xA, 8xB, 8xC, 8xD, and 8xE) have a hospice election start date on or after January 1, 2023 through December 31, 2023 and during MA Plan Period and the VBID-Hospice start and end dates of January 1, 2023 to December 31, 2023 2. set for any covered Institutional Claim (Prospective Payment System (PPS) Hospital) when the Admit Date is during hospice election start date on or after January 1, 2023 through December 31, 2023 and for non- PPS Hospital (Skilled Nursing Facility/Outpatient/Home Health, excluding type of bill 32A Notice of Admission (NOA)) when dates of service are during hospice election period and MA plan period and VBID-Hospice start and end dates of January 1, 2023 to December 31, 2023 3. set for any covered Part B or Durable Medical Equipment (DME) claim (except read only From Date for Glucose Test Strips) when dates of service are during hospice election start date on or after January 1, 2023 to December 31, 2023 								X	

Number	Requirement	Re	espo	nsil	bilit	y								
		MAC						A System			A System			Other
		А	В	H H H	M A C	F I S S	M C S	V M S	C W F					
	Note: BRs 12688.4, 12688.4.1 and 12688.4.2 shall make changes to BR 11754.3 in CR11754.													
12688.4.1	CWF shall apply BR 12688.4 to BDS.								Х					
12688.4.2	CWF shall apply BRs 12688.4 and 12688.4.1 only for <i>hospice election start date on or after January 1, 2023</i> through December 31, 2023.								Х					
12688.5	The contractors shall note and be aware that unless otherwise stated that a BR from prior CRs 11754 and 12349 is being replaced or modified that those instructions are still in place.	X	X	X	X	X	X	X	X	MBD				

III. PROVIDER EDUCATION TABLE

Number	Requirement	Re	spo	nsib	ility	
		A	В	H H H	M A C	Ι
12688.6	Medicare Learning Network® (MLN): CMS will market provider education content through the MLN Connects® newsletter shortly after CMS releases the CR. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 instructions for distributing the MLN Connects newsletter information to providers and link to relevant information on your website. You may supplement MLN content with your local information after we release the MLN Connects newsletter. Subscribe to the "MLN Connects" listserv to get MLN content notifications. You don't need to separately track and report MLN content releases when you distribute MLN Connects newsletter content per the manual section referenced above.	X	X	X	X	

IV. SUPPORTING INFORMATION

 $\label{eq:section A: Recommendations and supporting information associated with listed requirements: N/A$

X-Ref	Recommendations or other supporting information:
Requirement	
Number	

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Tzvetomir Gradevski, 410-7860000 or Tzvetomir.Gradevski@cms.hhs.gov, Sibel Ozcelik, 732-213-0713 or sibel.ozcelik@cms.hhs.gov, Jason Petroski, 410-786-4681 or jason.petroski@cms.hhs.gov, Megha Mirchandani, 410-786-5839 or Megha.Mirchandani@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 0